

Message Text

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ACTION EB-07

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FM AMEMBASSY LIBREVILLE
TO SECSTATE WASHDC 8715
INFO AMEMBASSY PARIS
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ROME FOR RCAA DOAR

E.O. 11652: N/A
AGS: EAIR, GB
SUBJ: EXPANSION OF AIR GABON

SUMMARY: GOG STILL HARD AT WORK ON AIR GABON EXPANSION PLANS,
BUT IS EVIDENTLY FINDING OPERATION MORE COMPLICATED THAN
ANTICIPATED. END SUMMARY.

1. PRESIDENCY DIRECTEUR DE CABINET MAYILA, KEY FIGURE IN
AIR GABON EXPANSION INTO INTERNATIONAL OPERATIONS, VISITED
PARIS LAST WEEK FOR SECOND TIME IN PAST MONTH TO NEGOTIATE
ON THIS TOPIC WITH GOF AND AIR FRANCE. WHILE HE WAS UN-
WILLING DISCUSS SITUATION IN ANY DETAIL, HE MADE CLEAR IN
CONVERSATION WITH ME DEC. 23 THAT ENTIRE AFFAIR IS BECOMING
MORE COMPLICATED THAN GABONESE HAD ORIGINALLY ENVISAGED.

2. FROM HIS COMMENTS, GABONESE SEEM TO BE HAVING
BIGGEST DIFFICULTIES WITH AIR FRANCE. HE REMARKED WIST-
FULLY THAT THINGS WOULD HAVE BEEN SIMPLER WITH PANAM,
AND INDICATED THAT REAL STUMBLING BLOCK TO PANAM CONTRACT
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WAS NOT INABILITY OF AMERICAN COMPANY TO MAKE CAPITAL
CONTRIBUTION TO AIR GABON BUT RATHER HIGH PRICE ATTACHED
TO ITS TECHNICAL ASSISTANCE. WHEN I OBSERVED THAT PANAM
PRESUMABLY WAS ALWAYS AVAILABLE IF HIS PROBLEMS WITH
AIR FRANCE BECAME INSURMOUNTABLE, HE WAVED OFFER ASIDE
AND SAID PLANS WERE TOO FAR DOWN THE ROAD FOR SUCH CHANGE.

3. ONE SOURCE OF PROBLEM WITH AIR FRANCE MAY BE IN LOCAL RUMOR THAT FRENCH COMPANY INSISTING ON SOME FORM OF GOF GUARANTEE FOR ITS CAPITAL PARTICIPATION IN AND TECHNICAL ASSISTANCE TO AIR GABON, AND THAT GOF UNWILLING PROVIDE SUCH ASSURANCES. PRIOR TO HIS MOST RECENT TRIP TO PARIS, MAYILA NOTED THAT HE HAD "BUSINESS AT ELYSEE", WHICH MAY HAVE INVOLVED THIS ISSUE. HOWEVER, HE MADE NO SPECIFIC REFERENCE TO PROBLEM ALONG THESE LINES IN OUR CONVERSATION THIS MORNING.

4. I MENTIONED TO MAYILA REPORT WE HAD RECEIVED (FROM BOEING OFFICE IN ROME) THAT SEVERAL US PAPERS HAD CARRIED NOTICES OF GOG INTEREST IN RECEIVING BIDS ON AIRCRAFT FOR AIR GABON. ACCORDING TO OUR SOURCE, ANNOUNCEMENTS IN WASHINGTON POST AND WALL STREET JOURNAL MENTIONED RECEIPT OF PROPOSALS FROM MCDONELL DOUGLAS AND SOLICITED ADDITIONAL OFFERS, AND LISTED GABONESE EMBASSY WASHINGTON AS SOURCE OF ADDITIONAL INFORMATION.

5. MAYILA DISCLAIMED KNOWLEDGE OF US PRESS ANNOUNCEMENTS, AND REITERATED THAT GABONESE HOPED TO GO AHEAD WITH BOEING'S DEAL. HOWEVER, HE ADDED, BOEING HAD TO REALIZE THAT THEY WERE NOT ONLY POSSIBLE SUPPLIER FOR AIR GABON, AND WOULD HAVE TO SHOW THEMSELVES "FLEXIBLE" ON PRICES AND CONDITIONS IF THEY WISH TO RETAIN CONTRACT.

6. COMMENT: FIRST FLUSH OF ENTHUSIASM OVER DECISION TO EXPAND AIR GABON HAS YIELDED TO INEVITABLE SECOND PHASE OF CONFRONTING MYRIAD OF TOUCH PROBLEMS THAT MUST BE SOLVED LIMITED OFFICIAL USE

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BEFORE INTERNATIONAL SERVICES CAN GET OFF THE GROUND. GOG IS EVIDENTLY INVOLVED IN SERIES OF STIFF NEGOTIATIONS WITH BOTH AIRCRAFT SUPPLIERS AND POTENTIAL TECHNICAL PARTNERS, AND PRESUMABLY WILL VERY SOON HAVE TO TACKLE (IF IT HAS NOT ALREADY BEGUN) EQUALLY THORNY ISSUES OF LANDING AND TRAFFIC RIGHTS FOR ITS AIRCRAFT. WE WILL CONTINUE TO MONITOR DEVELOPMENTS IN THIS FIELD, PARTICULARLY AS REGARDS THE PURCHASE OF US-MANUFACTURED AIRCRAFT AND IMPLICATIONS WITH REGARD TO REQUIRED FINANCING. END COMMENT.

7. FOR ROME: WOULD APPRECIATE YOUR PASSING SUBSTANCE PARAS 4 AND 5 TO FITZGERALD AT BOEING'S ROME OFFICER. STEIGMAN

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Message Attributes

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